

## **Michigan School Readiness Program State Aid Funding Procedure**

1. **CNRA:** School districts submit the pre-application Comprehensive Community Needs and Resources Assessment (CNRA) to the Department. CNRAs are reviewed by consultant staff, and data are recorded for each district. The number of children estimated to be eligible for the Michigan School Readiness Program (MSRP) who will not be served by other programs (Line 6 on the CNRA), and the number of children the district has the capacity to serve (Line 8 on the CNRA) are compared. The lesser of the two numbers is the district's "request." Consultants also review the CNRA to determine whether districts are "priority 1" or "priority 2" in terms of supplementary child care services offered and for the verification of community collaboration. Only districts that submit the Comprehensive Community Needs and Resources Assessment are eligible for MSRP funding for the next fiscal year. (Authority: Section 37(2) (a-d) of the State School Aid Act and State Board of Education criteria.)
2. **Free Lunch Report:** School districts submit a form (FS-4731-C) indicating the number of children in grades 1-5 who had approved free lunch applications on file as of October 31. The district is allowed to revise the number of applications in each building until December 31; this form is due in the spring each year. The forms are reviewed both by the Food and Nutrition staff for verification and by early childhood staff for accuracy. The final number is then recorded for each district.
3. **Enrollment:** Two databases that exist in the Department are accessed. One allows the Department to sum the number of children in each district officially enrolled in grades 1 through 5. The other gives us kindergarten enrollment for each of the previous two years, which we then average.
4. **Percent funded:** The percentage of children eligible for free lunch in grades 1-5 for each district is determined by dividing the number of children in grades 1-5 who had approved free lunch applications (#2 above) by the grades 1-5 enrollment number (#3 above).
5. **The formula is calculated:** one-half of the percentage of children in grades 1-5 eligible for free lunch (#4 above) multiplied by the average kindergarten enrollment the previous two years (#3 above). (Authority: Section 38 of the State School Aid Act.) Large districts are limited to 315 children or 65% of the number calculated, whichever is greater. (Authority: Section 39 (5) of the State School Aid Act.)
6. The participating districts are rank-ordered by the percentage calculated in #4 in descending order. (Authority: Section 39 (1) of the State School Aid Act.)
7. The number generated by the formula (#5 above) is compared with the district request (#1 above). The lesser number is multiplied by \$3,300. This is the "first round" allocation. (Authority: Section 39 (1) of the State School Aid Act.)

8. Starting with the total allocation of \$72.6M at the top of the column, “first round” funds are tentatively allocated for each participating district in descending rank order (#4 above). (Authority: Section 39 (1) of the State School Aid Act.)
9. If funds are left after all districts have received the “first round” allocation funding, the next step considers the child care priority for each district. Districts in the first year of a three-year funding cycle are priority 1 if they offer or collaborate to offer comprehensive child care to allow full day, full week, full year care to children who need it. Districts in the second or third year are not limited by child care priority. Priority 1 districts are allocated “second round” funds if the number of eligible children in #7 was based on the calculated formula number being less than the district’s request (#1). In other words, first year priority 1 districts and second and third year districts are allocated additional funds based on their estimation of children still waiting for service. The difference between the number calculated by the formula and the district’s “request” number (#1 above), multiplied by \$3,300 is the “second round additional allocation” which is rolled into the “first round” allocation to make a final allocation. This process is continued until funding is depleted. (Authority: Sections 39 (3) and 39 (4) of the State School Aid Act.)
10. Allocation awards are forwarded to the State Superintendent of Public Instruction for approval.
11. Allocation Award Notification packets are generated and mailed to Superintendents and Public School Academy Directors. An Allocation Award Acceptance form is enclosed in the packet, requiring the Superintendent/PSA Director’s signature. School Districts/PSAs may accept the total allocation or a lesser amount. Once the Allocation Award Acceptance form is faxed back to the Michigan Department of Education, any returned awards are then reallocated as outlined in item 12 below. Grantees are required to submit to the Michigan Department of Education a formal participating or non-participating resolution from the local Board of Education. (Authority: Section 37 (5) of the State School Aid Act.)
12. Enhanced Allocations/third round funding: Throughout the year, conditions may change in districts and they may not be able to serve the number of children they have been awarded. As districts return the Allocation Award Acceptance form and or Participating and Non Participating Resolutions, allocations are adjusted, and “returned children” are reallocated to districts who may not have been awarded the number of slots requested. The Department offers these funds to districts, continuing in the descending order beginning with the district next on the list after the initial awards were made with the applications (see #9).

Please refer to the Michigan School Readiness Program Implementation Manual, Section 1, for a *Sample Formula*. **LEAs and PSAs are advised to wait until they have received the Allocation Award Notification before enrolling children in the Michigan School Readiness Program.** Allocation Award Notifications may or may not include second round funding depending on the number of districts that apply as well as the capacity of each district to serve the number of children awarded.